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Article appearing in Soviet Affairs for October 1952.

The Party Congress

A preliminary evaluation of the statements before and during the nineteenth Congress of the Soviet Communist Party revealed a series of noteworthy points in the fields of foreign policy, party, economy, and doctrine.

Foreign Policy --

Current Line Called Correct

In a succession of statements, Stalin and his top lieutenants set the seal of approval on the conduct, trend, and over-all purposes of postwar Soviet policies.

The world situation was viewed by these spokesmen as confirming the correctness of Soviet policy to date. Since the Congress was the first to be held in 13 years, the heavy stress on the gains registered by the Soviet "peace" camp at the expense of the "capitalist" world, now dominated by the US, was to be expected. At the same time, the emphasis on the instability and rapidly worsening condition of the capitalist world was striking.

Soviet World View. The Kremlin's spokesmen presented this picture of the world today:

The most significant economic development of the postwar period has been the breakup of the single world market. The rise of a market encompassed by the USSR, Communist China, and the European People's Democracies and removed from the possibility of "imperialist exploitation" has restricted the area in which the "monopoly capitalists" are free to maneuver and hence has rendered the "general crisis of capitalism" more acute. As a result, capitalist contradictions are growing more intense. The capitalist "ruling circles," particularly those of the US, are attempting to save themselves from the increasingly menacing situation by a program of militarization and preparation for a new war. It is clear that there can be no new period of capitalist stabilization.

The Soviet Union, no longer in a state of isolation, is invincible. For the imperialist camp to launch an attack would be to doom capitalism to extinction. This fact, together with pressure from the movement of the "peoples for peace," reduces somewhat the chance of the "imperialist warmongers" actually under-taking war on the Soviet sphere. Nevertheless, the ruling circles

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of the US continue to plan and to prepare for war against the USSR, and the possibility that they will translate their plans into action remains real. There must, therefore, be no let up in vigilance and military preparedness.

The US ruling circles, short of a war on the USSR, face the prospect not only of mounting internal difficulties but of the further shrinking of the area of imperialist exploitation through defection of additional colonial areas. Also the other capitalist countries now subjugated by the US will ultimately break free of US control with the result that new inter-capitalist wars will become inevitable. This will necessarily increasingly aggravate the general crisis of capitalism. No remedial measures ... whether militarization, new Koreas, or what ... can reverse or even halt the relentless trend.

Soviet Strategy and Tactics. In this situation, the correct approach for the USSR, according to Malenkov, is for it to go its way "without giving either to provocations or intimidations." No suggestion was given by any spokesman of an intention to yield ground, either on specific international issues or in the exercise of pressures on the "imperialist camp." The Soviet leaders revealed no anxiety over present international tensions or any interest in reducing these tensions. They appeared rather to anticipate that pressures would aggravate conflicts within and among the Western powers.

The statements of the Soviet leaders indicate that future Soviet foreign policy will be marked by the following features:

1. The building of Soviet-bloc military power will continue to command top priority.
2. The US will continue to be the enemy and the struggle against the US will be pushed without letup.
3. The tactic of seeking to isolate the US by attempting to aggravate differences between the US and its allies and, within these countries, between the peoples and their present governments, will be given increased emphasis.
4. The strategy of "the struggle for peace," with the world partisans of peace as the main instrument, will be pressed with greater vigor.
5. The Soviet position on all outstanding international questions will be pressed without change.

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Since the possibility of negotiating outstanding differences with the Western governments was given little attention, the Kremlin evidently foresees little prospect of any progress through parleys, unless the West accepts the Soviet position.

Likelihood of War. Whether the Kremlin considers that the continuing conflict between the two camps will degenerate into open warfare was left unclear. In reaffirming the standard Leninist thesis that wars are inevitable under capitalism, Stalin implied that an intra-capitalist war is as likely as a capitalist-socialist war. While agreeing that contradictions between capitalism and socialism are "theoretically" stronger than the intra-capitalist contradictions, "now" as before World War II, he stressed that World War II began as a war between capitalist countries. This, he explained, was the result of the danger which a war with the USSR posed to "the continued existence of capitalism itself," and of the disbelief of the capitalists, despite their "noise for propaganda purposes," in the aggressiveness of the Soviet Union. Stalin alluded to the fact that a war against the USSR did indeed emerge from an intra-capitalist war but pointed out that one side was "compelled to join a coalition with the USSR."

Malenkov stressed that US "bosses" had come to the conclusion that "war should be launched against the Soviet Union as the main bulwark of peace" and hence the principal obstacle to the world domination scheme of American ruling circles. He did, however, allow for the possibility of some other war than one between the West and the Soviet Union.

Other speakers, notably Beriya, followed the same tack. Beriya belabored the danger of an East-West war even more than Malenkov and pictured the Western "ruling circles" as being undeterred from their war course even by the certainty of the doom they would suffer in consequence.

The manner in which the spokesmen developed the continued possibility of an inter-capitalist war theme suggests that the aim was not thereby to play down the likelihood of an East-West war, but simply to put forward a new propaganda device for exploitation in the drive to intensify capitalist contradictions.

The most striking feature of the treatment of the problem of prospective war between the West and the USSR was the ostensible lack of concern over Soviet ability to win such a war.

Capitalist Contradictions. That the Kremlin plans to increase its efforts to exploit differences in the Western camp is clearly indicated by the confident manner in which the Kremlin dealt with this prospect. Whether genuine or not, this confidence is manifest in Stalin's assurance that underlying economic forces will bring a continuing weakening of capitalism and plunge capitalist countries into conflict with each other.

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In developing Stalin's thesis that capitalist contradictions are worsening, Malenkov listed the chief contradictions, thereby suggesting the probable direction of future Soviet efforts to aggravate these contradictions.

"... the chief contradictions ... remain those between the United States and Great Britain. ... To these should be added the very serious contradictions between the United States on the one hand and on the other, Japan, Italy, and Germany, which live under the yoke of the occupation of the US dictators.

"It would be naive to think that these conquered countries will consent to live endlessly under the heel of the US occupiers. It would be silly to think that they will not try, in one way or another, to force their way out from under US oppression in order to live a free and independent life. ... The contradictions between the United States and Britain and between the United States and France grow more acute and will grow still more acute."

Malenkov also dwelt at some length on "the growing scope of the national liberation movement" in the colonial and semi-colonial areas and on the "increasingly desperate plight" of the workers in the leading capitalist countries.

The Peace Movement. Stalin undertook to define the precise nature and scope of the current "peace movement." Previous formulations, notably Stalin's own dictum of February 1951 that "peace will be preserved if the peoples take the cause of peace into their own hands and defend it to the end," had been widely interpreted as meaning that the "peoples" simply through organizing and bringing pressure on government might be able to prevent war for all time. This, Stalin said, was not so. He asserted that the peace movement might be able to lead to a "temporary" preservation of peace in a given situation but underscored Lenin's thesis that so long as imperialism remains, wars remain inevitable.

Stalin's apparent de-emphasis of the importance of the peace movement was offset by Malenkov. According to him, decisive results can be reached by this means. In consequence, he asserted that

"The task now is to raise still higher the activity of the popular masses, to improve the organizational level of the peace partisans, to constantly expose the warmongers and not allow them to enmesh the peoples in lies, to bridle them. To isolate the adventurers from the camp of the imperialist aggressors ... such is the main task of all progressive and peace-loving mankind."

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The UN. Malenkov appeared to rule out the possibility of an early Soviet-bloc withdrawal from the UN. He asserted that "the Soviet Government attaches great importance to the United Nations, considering that this organization could be an important means of maintaining peace." Malenkov repeated standard attacks on US efforts to divert the UN to its own aggressive ends but concluded with a reassurance that the Soviet Union defends the interests of peace in the UN as elsewhere.

**Stalin Urges More Militancy
By Communist Parties Abroad**

In a brief unscheduled speech climaxing the Congress, Stalin on October 14 explicitly placed the Soviet Communist Party at the head of "the world revolutionary movement." He not only urged the foreign Communist parties forward in their struggle for the "liberation" of the peoples from capitalist slavery, but more definitely than at any time since 1928 committed the Soviet Union to support their "liberation" efforts.

He called on "Communist and democratic parties which have not yet come to power" to become the champions of national independence from US "dollar imperialism" in order to gain mass support and eventually power. The bourgeoisie, he said, has "thrown overboard" the banner of national and democratic rights, giving the Communists an issue through which they can become the "leading force" in their nations.

In directing foreign Communists to identify themselves with nationalism and democracy, Stalin was reaffirming a line repeatedly put forward by Soviet spokesmen since at least 1947. Whereas the tactic had previously been treated as part of a general campaign to frustrate alleged US designs to launch a new war, Stalin now attached to it a definite revolutionary significance.

In this connection it might be noted that Stalin and other Soviet theoreticians have repeatedly stressed the importance of Communists' identifying themselves with some cause which even though not Marxist, would enable them to gain for temporary purposes the support of non-proletarian groups.

Stalin asserted that the liberation struggle now facing Communist Parties was easier than had been the task of the Soviet Communist Party in 1917 for two reasons: (1) the successes of the USSR and the People's Democracies serve as examples, and (2) the bourgeoisie of the countries in question has "lost the ties with the people and has thus weakened itself."

Of greater significance, however, was Stalin's acknowledgment of the role to be played by the USSR in this situation. "Our Party," he

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asserted, "cannot be indebted to fraternal Parties, and it must in its turn render them support and also support their peoples in their struggle for liberation, in their struggle for the preservation of peace." The Soviet Party, Stalin said, was christened by fraternal parties the "shock brigade of the world revolutionary and workers' movement" after the 1917 revolution. "By this means," he explained, "they expressed the hope that the successes of the 'shock brigade' will alleviate the position of the people languishing under the oppression of capitalism." The Soviet Party has justified these hopes, especially during World War II. However, he added fulfillment of this "honorable role" had been very difficult while the Soviet "shock brigade" was the only one. "Now the situation is different. Some ... new 'shock brigades' have appeared in the form of popular democratic countries People's Democracies, it has become easier for our party to struggle, and work has become more joyful." Elsewhere, Stalin appeared to envisage that the "fraternal parties" would encounter increasing repression from the "bourgeois" governments, but exhorted them not to despair.

While Stalin was addressing himself to the world situation generally, he singled out Western Europe for his specific references. This suggested a desire to re-emphasize the importance of Europe in the continuing struggle, thus implicitly denying that current tactics call for marking time in Europe while pressing Asian projects to a climax.

It is significant that at a national congress Stalin chose to limit himself to the world tasks of the Communist movement. Stalin's emphasis indicates the Kremlin's concentration on foreign problems, and raises the possibility that steps will be taken to establish new organizational links between Moscow and the national Communist Parties.

Stalin's statement appeared to remove any doubt as to the course to be followed by the world Communist movement, including its "shock brigade." He reinforced Malenkov's assertion that the "main task" is to isolate the US in the world at large and the governments friendly to the US from their peoples. At the same time, however, he indicated that the isolation of these ruling circles is not the end goal, but a step toward the final goal: overthrow of the ruling class.

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The Party -

Continuity of Leadership

The picture of the Soviet Communist Party that spokesmen sought to present at the Congress was that of a vibrant, dynamic organization confident in its strength but also keenly aware of its deficiencies.

Growth in Membership. Party membership is now placed at the record high of almost 6.9 million. After the 18th Congress in 1939 terminated the wholesale expulsions of the great purges the membership has risen steadily. The rate of expansion, however, dropped after 1947. (see following table.) It was purposely reduced, according to Malenkov, to correct the qualitative "deterioration" which had taken place with the rapid wartime growth.

PARTY MEMBERSHIP

Date	Number
March 1939	2,477,666
June 1941	3,800,000
1945	5,400,000
January 1947	6,000,000
September 1947*	6,300,000
October 1952	6,882,145

* In September 1949 and January 1950, Soviet Estonia and Pravda Ukrainskaya, respectively, reported Party membership as "more than" 6 million but gave no indication as to the exact figure.

Future growth of the Party, at least for the time being, will be strictly controlled. The policy of limiting admissions, adopted in 1947, Malenkov said, would be continued for the purpose "of improving ... the political education and Party tempering of Communists."

Party growth in the various republics after 1948-49 indicates that special stress is being placed on building up membership in the areas acquired as a result of World War II. The rate of expansion has been slower in the older republics, although considerably higher in the Slavic republics than in the non-Slavic ones. Part of the relatively rapid rate of increase in the Ukraine and Belorussia, however, is probably accounted for by the special effort being made to increase the Party in the western areas of these republics.

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REPUBLICAN PARTY GROWTH

Area	Membership		Percentage Increase Over 1948-49
	1948-49	1952	
Armenia	61,440	64,255	4.6
Azerbaijhan	111,000	111,697	0.6
Georgia	166,367	173,298	4.2
Turkmen	n a	n a	n a
Kazakh	229,455	231,610	1.0
Uzbek	132,910	142,355	7.1
Kirgiz	45,886	46,267	0.8
Tadzhik	36,383	n a	n a
Moldavia	22,266	37,466	68.2
Karelo-Finnish SSR	15,823	n a	n a
Latvia	31,203	50,000	57.7
Lithuania	24,000	36,000	50.0
Estonia	28,000*	31,000	10.0
Belorussia	110,000	127,987	16.2
Ukraine	684,275	777,832	13.7
RSFSR	4,279,000**	4,949,000**	15.4**

n a - Not available.

* Derived from Soviet figures.

** Estimated.

Geographical shifts in the economy of the USSR since 1939 were reflected in the data on the number of voting delegates sent to the Congress from various areas. A comparison of the list of local Party organizations having the largest number of voting delegates at the Congress with the one for the 1939 Congress reflects changes stemming from the increased industrialization of some of the interior areas. In 1939 the highly industrialized Ukrainian areas of Stalino, Kharkov, and Dnepropetrovsk were first, fifth, and eighth in rank among the oblasts (excluding Moscow and Leningrad) for the number of voting delegates at the Congress. In 1952 they were twelfth, thirteenth, and nineteenth, with Kharkov ahead of Stalino. Sverdlovsk and Chelyabinsk in the Urals, Saratov along the Volga, and Khabarovsk in the Far East are areas of rapid industrial expansion which jumped ahead of the three Ukrainian oblasts. The Bashkir and Tatar ASSR's, where oil production is being expanded, and the Altai Krai, an area of increasing non-ferrous metal production, were ahead of the Ukrainian oblast of Dnepropetrovsk at the recent Congress.

Party Control Extended. Increased Party control over important sectors of activity was suggested at the Congress. Marshal Vasilevski, Minister of War, reported that now 86.4 percent of the officers in the Soviet Army are either Party or Komsomol members. The latest comparable figure in the prewar period is for July 1933, when the percentage was

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71.8. The claim that the number of primary Party organizations in collective farms has increased more than six times and in educational establishments by almost seven times since 1939 indicates that both the peasantry and the teachers are coming increasingly under Party influence.

Some turnover in the Party leadership was reflected by the elections to the new Central Committee. Of the Committee's 71 full members in 1941, 37 were re-elected to the new body as full members and seven as alternates. Since at least 11 of the original 71 have died, 16 have, therefore, fallen from power. Some of these, like Politburo member N. A. Voznesenski and Party Secretary A. A. Kuznetsov, have disappeared. Others, like the Ukrainian Foreign Minister and ex-Cominform official D. Z. Manuilski, are still identified in the Soviet press. Of the 68 alternate members in 1941, seven were elected to full membership, while 14 were re-elected as alternates. Since at least nine have died, 38, or more than half, have thus declined in stature.

Leadership Aging. Data on the age groups of the delegates to the Congress reveal that again the average of Soviet leaders is advancing, which may indicate relative stability in their ranks. During the 1920's and early 1930's the average age of the delegates increased but declined by the time of the 18th Congress, which followed the great purges. Whereas at the 1939 meeting 81.5 percent of the delegates were 40 or under, the comparable group at the October Congress comprised 23.6 percent. Those over 50 at the previous meeting made up only 3 percent of the delegates; at this one they made up 15.3 percent, the highest of all Congresses on which data is available. At the recent meeting the 40-50 age group comprised 61.1 percent of the delegates; at the 1939 meeting only 15.5 percent. These figures may suggest the possibility of a certain stability in the Party leadership, since the same age group which dominated the Party in 1939 comprised the great majority at this one.

The new Central Committee consists of 125 full members and 110 alternates. Incumbency of the same type of position which led to Central Committee membership in 1939 seems to have been the criterion for selection to the present organ. All of the republican Party bosses as well as the first secretaries of many of the RSFSR autonomous republics, krais, and oblasts were elected full members. At least 53 governmental officials from the All-Union or republican levels were elected as either full or alternate members. The military services, including the MVD (Ministry of Internal Affairs), were represented by at least 27 persons. No member of the Ministry of State Security seems to have been elected, although the paucity of information about the Ministry's officials may account for the failure to recognize them as on the Committee. A number of intellectuals like the historian Pankratova, the Ukrainian dramatist Korneichuk, and the anti-American writer Simonov were elected.

The decline in the proportion of proletarian elements in the Party is reflected in the greater educational qualifications of the delegates over those of 1939. Whereas 26.5 percent of the delegates in 1939 had a higher education, the figure at the 1952 Congress was more than double,

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59 percent. While only 15.6 percent of the recent delegates have an incomplete secondary education or less, in 1939 the figure was 46 percent. This shift cannot be explained as a result of changes since 1939 in the general level of education of the Soviet population, for these have not been of comparable proportion.

Defects Criticized. The deficiencies in the Party stressed at the Congress were associated with ideological shortcomings and with a pronounced tendency of the Party to develop into an administrative machine and to assume the characteristics of an entrenched bureaucracy.

These defects have been under constant attack in the postwar period. Local Party organs have been repeatedly charged with the usurpation of governmental and economic functions. This deficiency, however, can be expected to persist, because local Party officials are held responsible for the successful implementation of the economic programs in their areas.

The attack on bureaucratic manifestations in the Party structure has also been persistent. The failure to implement orders from above has been criticized frequently and will be attacked with renewed vigor, according to Malenkov.

Abuses in recruitment and handling of personnel seem endemic in Soviet institutions. Party officials were condemned by Malenkov for selecting staff workers on the basis of paper qualifications without recourse to personal interviews. Moreover, speakers attacked the role of personal relationships and family connections in the selection of personnel, on the ground that this leads to the establishment of cliques.

The tendency of Soviet officials to take advantage of their office and to stifle criticism from below inspired changes in the new Party statutes. The statutes now prescribe that "the Party has one discipline, one law for all Communists, independent of their services and positions they occupy." Melnikov, First Secretary of the Ukrainian Party, in his report to the local Party Congress in September indicated that misuses of the prerogatives of office by Soviet officials were extensive. He remarked:

"We have not a few facts demonstrating that when a Communist has advanced to supervisory Party, Soviet or economic work he considers that the Party laws are not written for him, that the Party organization must treat him in a special way, and overlook the liberties he takes in his work as well as in his personal life. Such workers foster in the Party organizations the damaging opinion that, so to speak, it is impossible to criticize them, that they are responsible only to the oblast committee or the Ukrainian Central Committee."

The Doctrine --

Stalin Makes Additions

As Marx analyzed capitalism, Lenin developed a theory of imperialism and social revolution, Stalin has increasingly presented himself as the theorist of socialism and Communism.

His article in Bolshevik* on "The Economic Problems of Socialism," published on the eve of the Congress and referred to in most of the major speeches, marks his most ambitious attempt to categorize the ruling principles of a socialist society, the conditions necessary for the transition to Communism, and the characteristics of Communism. The determinist flavor is strong, as Stalin stresses man's powerlessness to make or modify economic laws and the inability of Soviet power to do "everything," as allegedly some young recruits naively imagine.

Stalin's reading of the future is cautious, for he insists that before Communism can come there must be a substantial development of production, a great bettering of the standard of living, and changes in collective farms to remove them from the operations and influence of free-market conditions.

After thus implying that Communism is not around the next corner Stalin goes on to indicate that even when it comes, it will not be as Utopian as formerly imagined. Comrades had been reading Stalin too literally on the disappearance of differences between town and country, industry and agriculture, mental and manual labor. Differences will remain, but they will be "non-essential."

Possibly his approach was to make Communism a more credible vision, possible to reassure the Soviet elite, many of whom were assembling for the Party Congress, that the promised egalitarianism of the Communist era would not deprive them of their power, pomp, and privileges.

Economic Theories Receive Restatement

Economic Laws In General. Stalin takes pains to insist that economic

* Stalin's article incorporates four separate pieces. All concern a "political economy" textbook which had been the subject of a November 1951 general discussion, previously unannounced. The first piece, dated February 1, 1952, presents Stalin's comments on the text. The other three, dated April, May, and September, are Stalin's replies to four Soviet economists. A curious slip of the censorship indicates that Stalin's comments had been circulated in Party circles before their publication on October 3. A Stalinabad newspaper, Kommunist Tadzhikistana, published on August 24 portions of a lecture by one A. Danilov which repeated word for word, without attribution, paragraphs from Stalin's comments.

"laws" operate under socialism as well as capitalism. Economic laws are discovered, not created; they are subject to limitations in operation but cannot be modified or transformed. This is the first time that Stalin has personally endorsed the view, prevalent among Soviet economists in recent years, that economic laws operate under socialism. He goes beyond their position, however, in minimizing man's ability to transform these laws.

Stalin's insistence on the objective character of these laws and man's impotence to create or modify them emphasizes the determinist element in his outlook. In fact, Stalin complained of the young bloods entering the Party each year, dizzy with success, "fired with desire" but inadequately educated in Marxism, who began "to imagine that Soviet power 'can do everything,' that 'nothing is impossible' for it." To counter this attitude, Stalin in effect warns that much is impossible for Soviet power, that institutions surviving from capitalism will persist a while, and that Communism is still a long way off.

Since old laws periodically give way to new laws, the latter "are not created by the will of man but arise on the basis of new economic conditions," Stalin argues. This appears to mean that when men revolutionize a society they create the basis for the eventual emergence of new economic laws, but they cannot immediately alter the conditions which limit the operations of the economy.

The Law of Value. Stalin approaches the heart of his problem when he discusses economic laws which are valid for both capitalism and socialism and for each individually. Among the laws carried over from capitalism to socialism is the "law of value," which simply means that goods are exchanged on the basis of some equivalence that they possess (which the Marxist define as the amount of socially necessary labor that the goods embody.) If goods were not bought and sold but distributed according to need, the law of value would not operate. The law of value presupposes production for the market, i.e., presupposes the production of "commodities" for purchase and sale. The accompanying market is made necessary in the Soviet Union, Stalin says, by the existence of the collective farm system. Stalin suggests that when collective farmers are prepared to produce under a system involving direct exchange by their farms with other farms and with state agencies, then the circulation of goods will no longer be regulated by the market and will no longer involve money.

Theory of Surplus Value. The cornerstone of Marx's theory of capitalism -- the theory of surplus value -- is rejected by Stalin as a useful term for a socialist economy. This is hardly surprising, because "surplus value" is defined as a device of exploitation: it is that part of the value created by the worker (over and above what is necessary for his sustenance) which is expropriated by the capitalist. Although Soviet economists have not implied the theory of surplus value to socialism, they have used ideas auxiliary to surplus value, such as the distinction between "necessary" and "surplus"

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product or working time. They transplanted these concepts in order to distinguish the products or working-time "necessary" for workers to sustain and reproduce themselves from the "surplus" products or working-time used for, roughly, non-consumption purposes, i.e., expansion of production, military, and police, and administrative activities, and social expenditures unnecessary for the sustenance and reproduction of labor at a given technical level.

Stalin, however, rejects these distinctions for socialism, because "the labor of workers given to the society for the development of production, development of education and health services, and the organization of defense" is as "indispensable" for the working class as "labor used to satisfy the personal requirements of the worker and his family."

Basic Laws Defined For Capitalism, Socialism

Stalin also refines his analysis of what principles govern capitalism and socialism, and sets forth the basic law which allegedly motivates each system. These laws may contribute something to Soviet propagandists, but are not likely to encourage tendencies among Soviet economists toward serious study of capitalist or socialist economies.

The basic economic law of contemporary capitalism is said to be "to secure the maximum capitalist profit through exploitation, ruination, and impoverishment of the majority of the population of a given country; through enslavement and systematic robbing of other nations, especially of the backward ones; and finally through wars and militarization of the national economy in order to secure the highest profits." Before announcing this discovery Stalin rejects milder formulas as insufficient to describe present-day capitalism, including, the "law of value," the "law of the average norm of profit," and the "law of surplus value" (which Stalin considers most nearly correct, but not concrete enough for the conditions of monopoly capitalism.)

In contrast, the fundamental law of socialism is said to be "the maximum satisfaction of the constantly growing material and cultural needs of the whole community by means of the continual development and improvement of socialist production on a high level of technology." In arriving at this law, Stalin also rejects less extreme variants. The "law of the planned development of the national economy" is rejected because "production becomes as object in itself and man and his needs disappear from the field of vision."

At first glance it appears that Stalin's law of socialism possesses a bias in favor of man the consumer quite at odds with the principles which heretofore seemed to govern Soviet economic policy. However, Stalin uses the term "community" to cover both individual needs and the "needs" of the "commonwealth," i.e., the Soviet state. This blanketing together of the two allows Stalin to pass over the fact, denied in Soviet propaganda but obvious in fact, that the Soviet population receives for satisfaction of personal material needs a much smaller proportion of the national product than the population of capitalist countries.

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How Soviet Society Is Expected to Develop

Perspectives of Soviet Development. Stalin offers both prescriptions and hints regarding the future development of Soviet society. His article (and the Congress speeches) portend no drastic change in the internal economic policy of the USSR.

Stalin remarks that production is not for the sake of production, but for the sake of people. However, since he identifies the people with the Soviet Government, he can interpret all Soviet economic activities as production for the people and thus justify the priority given to the production of producers' goods as compared to consumers' products.

In arguing against over-emphasis on "profitability" as an economic regulator in the USSR Stalin admits that the Soviet authorities subsidize branches of heavy industry and implies that it is economic needs, not profitability, which is decisive. "To give up the primacy of the production of means of production in favor of the production of objects of consumption would mean," according to Stalin, "the destruction of the possibility of the uninterrupted growth of our national economy" He refers to a long-term perspective (10 to 15 years) on profitability, and minimizes the effect of a temporary unprofitability as against a higher, stable profitability over the years.

Whither the Collectives? Outlining the future of collective farms, Stalin maintains that they must be shifted way from "commodity" production, that is, production for the market, in order to make farm property more homogeneous with State property. He emphasizes that this is nothing that can be accomplished tomorrow, and in one passage suggests a defense of the private plots and animals of farmers.

If not tomorrow, at least some time in the future Stalin envisages collective farms exchanging for manufactured goods the entire surplus produced by the farmers, collectively or individually, rather than selling the surplus, (above subsistence needs and required deliveries to the state) on the free market. Stalin implies that collective farms will not become state farms but will be brought into a national production and distribution council, while retaining the trappings of voluntary co-operatives. Farmers would presumably continue to earn commodities on the basis of their labor days rather than wages. The central authority would consist of representatives of both state agencies and collective farms, and would control both production and distribution.

Apparently the kolkhoz market is doomed. Stalin visualizes the gradual but "steadfast, without hesitation, step-by-step cutting down of the sphere of activities of goods circulation and broadening the sphere of activities of the exchange of produce." He offers a significant example of the kind of

exchange he has in mind, by referring to the present system regarding such technical crops as cotton, sugarbeets, and flax. Under the present system, the government enters into an "agreement" with the collectives to purchase the whole or major part of the output of the kolkhoz at specified prices, and in exchange supplies the grower with industrial goods, in addition to cash payments. It must be remembered, however, that the peasants could not profitably sell such produce as cotton, flax and sugarbeets on the kolkhoz market, because these products need processing. Peasants do have this possibility with respect to food products, and can obtain much higher prices than they would receive from the State.

Stalin claims that the sale to the state of the entire farm surplus is profitable to the collective farm peasantry. He states "everybody knows that the collective farms which have concluded agreements with the government about the exchange of produce receive much more than the collective farms which have no such agreement." This is undoubtedly true, but only with reference to receipts from the State. If however, kolkhoz receipts from the State and from kolkhoz market sales are combined, it is highly questionable that the peasants would profit by the contemplated change.

Nevertheless, in Stalin's mind kolkhoz trade seems to be the main "obstacle" to the "complete envelopment of the entire peoples' economy, especially agriculture, by State planning."

The Soviet leaders look, therefore, in the intermediate future to the transformation of collective farms not into state farms but to communal enterprises retaining the artel form but with their deliveries and receipts confined to state agencies alone.

The Transition From Socialism to Communism

Stalin refined Soviet theory on Communism as the next and highest stage of Soviet development. For the first time he set forth three conditions which would have to be realized to achieve Communism.

In general, his discussion leaves the impression that the advent of Communism is still in the distant future, and cannot be realized without substantial changes in the form and economic productivity of Soviet society. This revision of theory may have been intended to reassure those strata of the population who now have a vested interest in Soviet structure that their position will be secure even under the egalitarianism of Communism.

Stalin's three prerequisites were: the continued growth and improvement of the productive forces in socialist society; the gradual transformation of the collective farm properties into communal property and replacement of buying and selling products by moneyless exchange; and the cultural development of Soviet society involving reduction of the work-day to 6 and then 5 hours to permit extension of general education, including universal and compulsory polytechnic education. In addition, real wages would have to be

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doubled at least. Such sweeping prerequisites as these would appear to require decades, even if the USSR could maintain, as it has never been able to do in the past, a steady upward course of development. The reduction of the working day, for example, is obviously unlikely under conditions of international stress, and to effect it now would conflict with Stalin's first prerequisite of continued growth and improvement of the state's productive forces.

Life in a Communist Society. In his remarks on the social structure, Stalin unexpectedly revised earlier Soviet theory on the relations between the proletariat and peasantry in the final stage of Communism. Previously Soviet theorists had maintained that all differences between the two would disappear when the two forms of ownership of the means of production -- state and cooperative -- had been eliminated, and when "all would be transformed into toilers of a single Communist society." Stalin has now declared this to be an oversimplification, and asserts that "the elimination of essential differences between industry and agriculture cannot lead to the elimination of all differences between the two." Similarly, he modified the concept of equalization of physical and mental labor, thereby giving tacit recognition to the existence of class stratification in present-day Soviet society.

Stalin also envisaged the disappearance of collective farm property under Communism, and its replacement, though not in the immediate future, by communal property ownership, probably with either abolition or severe attenuation of the peasant's private garden plot. Similarly, money will disappear, because its use would be precluded in a society based on exchange of products.

Stalin implies that in the final stage human needs will determine the course of production and distribution. He also refers, however, to the direct measurement of the amount of labor time in this stage, but the context suggests that he was thinking of this measurement in relation to production rather than distribution. The latter would contradict the dogma that under communism men will receive according to need rather than according to productive ability.

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The Economy -

Progress and Problems

The Congress speeches threw some new light on Soviet economic developments, but revealed no change in the country's preoccupation with building heavy industry at the expense of consumers' items. The Fifth Five Year Plan was formally approved with little change (see Soviet Affairs, September 1952, p. 20). Pending a more detailed evaluation of all the statements, these points were among the highlights.

Gross Industrial Output. Malenkov presented an index series, based on 1940, for total gross industrial output as well as for producers' and consumers' goods separately.

GROSS OUTPUT OF SOVIET INDUSTRY
(1940 = 100)

<u>Year</u>	<u>Industry</u>	<u>Producers' Goods</u>	<u>Consumers' Goods</u>
1944	104*	136	54
1945	92	112	59
1946	77	82	77
1947	93	101	82
1948	118	130	99
1949	141	163	107
1950	173	205	123
1951	202	239	143
1952	223	270	156

*1940-44

The data for 1944-47 had never before been published. Together with an explicit statement by Malenkov, they constitute the first official confirmation that Soviet reconversion from a wartime basis in 1945-46 caused

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a substantial decline of output. At that time this fact had been carefully but unsuccessfully camouflaged.

Malenkov's speech confirmed Moscow's continuing policy of stressing the development of heavy industry. It showed, in particular, that consumers' goods represent a decreasing share of total industrial production. Ruble values for gross output derived from Malenkov's indices show consumers' goods in 1951 to have constituted only 27 percent of industrial output as compared to 38 percent in 1940.

1952 Industrial production. Malenkov continued the practice begun by Beriya last November of disclosing some absolute figures on Soviet production levels. The following table presents data on anticipated 1952 industrial output, as announced by Malenkov, and earlier Department calculations, based on Soviet statements, of 1951 output.

OUTPUT OF SELECTED COMMODITIES IN THE USSR
1951 and 1952

<u>Commodity</u>		<u>1951</u>	<u>Preliminary</u>
Pig iron	mill. met. tons	22	25
Crude steel	" " "	30.3	35
Rolled steel	" " "	23	27
Coal	" " "	280	300
Crude oil	" " "	42.2	47
Electric power	billion KWH	104	117
Cotton textiles	bill. linear meters	4.9 "over" 5	
Woolen textiles	mill. " " "	174	190
Silk textiles	" " " "	n.a.	218
Boots and shoes	million pairs	225	250
Rubber footwear	" " "	115	125
Sugar	mill. met. tons	2.9 "over" 3.3	

n.a. Not available.

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The high ratio of rolled to crude steel output (77 percent) suggests that finished production is concentrated on structurals at the expense of fine sections, said to be in short supply. The USSR will find it difficult to increase oil production from the 47 million tons of 1952 to the goal of 70 million tons in 1955 that has been established under the new five year plan.

Eastern Movement of Industry. Malenkov disclosed that in 1951 the eastern areas of the USSR, including the Volga region, produced about one-third of the total Soviet industrial output, as against 28.4 percent in 1940. With the electrification of the Volga region now under way and the continuing stress on developing new resources in Siberia and Central Asia, a further eastward shift of Soviet industry is to be expected for both economic and military reasons. At present the eastern areas were said to be producing more than one-half of total steel output, almost one-half of all coal and oil, more than 40 percent of electric power.

Grain and Industrial Crops. The 1952 grain crop, Malenkov said, amounted to 8 billion poods (131 million tons), or 8 percent above the official claim for 1951, and 10 percent above 1940. It implies a better crop this year than weather reports have indicated.

Malenkov claimed that the wheat crop this year is 48 percent above 1940. This large increase was, as expected, partly at the expense of other grains, although Malenkov did not give any clues as to which grains had declined relatively in comparison to 1940. The 1952 wheat crop can now be calculated at 60 million tons, in terms of the biological crop, or 46 percent of this year's total grain crop, as compared to 40.7 million tons or 34 percent of the total in 1940, and 39 percent in 1937.

Malenkov's statement that the grain problem has been "solved finally and irrevocably" is the strongest such Soviet statement during the past few years. It does not mean that total grain supplies are fully equal to requirements. For example, the large increase of grains planned for 1955 points up the inadequacy of present grain output. Stalin's statement on this subject at the 18th Party Congress in 1939 makes it clear that the reported "solution" of the grain problem refers only to the marketed share of the crop, that is, quantities needed for the urban population, for export, and for stockpiling. Malenkov's remark suggests that the USSR has sufficient grain stocks to tide the USSR over a poor harvest year.

Industrial crops at present account for more than 40 percent of the total value of crop production, Malenkov said. This figure reflects both an increase in output of the two most important industrial crops -- cotton and sugarbeets -- as compared to prewar, and significant increases in the same period in prices paid by the government for industrial crops.

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Prices of grain have remained stable. Cotton and sugarbeets were said to be better than last year's, but no specific information was given.

Resettlement of Collective Farmers. Criticizing agricultural leadership, Malenkov made clear the Party's continued disapproval of mass resettlement of collective farmers, but he left the way open for resumption of the drive when it would not interfere with production. Malenkov also expressed strong disapproval of the practice of creating auxiliary enterprises connected with collective farms for the purpose of producing building materials. This was the first official disavowal of a practice encouraged since the beginning of the kolkhoz mergers in 1950.

Income -- National and Real. Malenkov's statements on the growth of national and real income are obviously distorted, as were similar statements made in the past. They are based on questionable statistical practice designed to magnify actual achievement. Against his claim of an 83% increase in national income since 1940, it has been estimated that gross national output in 1948 was roughly equal to that of 1940, and that since then it has grown annually by some 7 percent. The probable increase over 1940 is therefore approximately 30 percent.

Claims of a large increase since 1940 in real incomes of urban and kolkhoz workers of 57 and 60 percent, respectively, can only be explained by the existence of some unknown method of statistical manipulation. These claims are not supported by other data, especially official Soviet figures on current output of those commodities which account for almost two-thirds of the workers' budget. The only important products for which official data indicate increased availabilities (exclusive of foreign trade and stockpile) on a per capita basis are cotton, textiles, footwear, sugar, and potatoes which have had increases ranging up to 24 percent. These commodities account for about 30 percent of the total expenditure of the urban workers. Per capita availability of all other major commodities was either about equal to or below prewar. Housing likewise remains below the prewar level. There is even less reason to believe that the kolkhoz worker has received an increment in real income of 60 percent. The relatively larger increase for the kolkhoz worker is probably due to the use as the basis of calculation of able-bodied kolkhoz worker rather than member of farm household.

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